

DE NOVO BANK REQUIREMENTS

Application requirements are set forth in N.J.A.C. 3:1-2.2 et seq. and N.J.S.A. 17:9A-1 et seq. :

N.J.A.C. 3:1-2.2a Requires a Certificate of Incorporation

- 3:1-2.2a 1. Feasibility study/5 yr. deposit projections
2. 5 yr. pro forma balance sheet, income statement showing projected period before the bank breaks even, and business plan
3. Biographical data sheet, financial statements and Police checks (@ \$18.00) for all incorporators, Directors and officers
4. Filing fee \$15,000, non refundable
5. Indicia of title
6. Copy of application to be filed with the FDIC, if the applicant has applied for a charter that includes the authority to accept deposits. When the final application is filed with the FDIC a copy shall be simultaneously transmitted to the Department.
7. Director code of conduct
8. Affiliated person application, if necessary
2.5 Notice/publication
2.7 Objectors, if applicable
2.19a *Commercial or Savings bank* minimum capital \$6,000,000 (par value \$2.00 minimum)
Limited Purpose Trust Company minimum capital \$2,000,000 (\$2.00 par value minimum).
Failed bank minimum capital \$5,000,000 or 6% of deposits.
b Incorporators subscribe for 25% of stock
d No individual subscribe for in excess of 24.9% of stock
e No company subscribe for in excess of 24.9% of stock, unless holding company
2.18 For the first 3 years after issuance of the certificate of authority, the depository shall maintain a tier I capital to asset ratio, as ratio is defined in 12 CFR 325.2(k), that is at least 8% of the bank's total assets. Must also maintain a fully funded reserve.

N.J.S.A. 17:9A-3 Certificate of incorporation is required and should include the following:

Commercial Bank

- 17:9A-3A 7 or more persons to incorporate a commercial bank
4C Surplus has to equal 20% of capital stock
5 Reserve for organization expense 5% of capital stock
6A Capital stock has to have a minimum \$2.00 par value

Savings Bank

- 79 or more persons to incorporate a savings bank
8.3 Needs a surplus and reserve for organization expense of 20% and 5%, respectively, of capital stock. Capital stock has to have a minimum \$2.00 par value

In order to begin or if you have questions about the application process for chartering a State-chartered commercial bank or savings bank, interested parties should contact Michael Sheridan of the Division of Banking. His telephone number is (609) 292-7272 Ext. 50056 and his mailing address is Division of Banking, PO Box 040, Trenton, N.J. 08625-040. It is highly recommended that before any application for a new bank charter is filed that a representative(s) of the incorporators set up a meeting with the applications section so that any questions or concerns may be discussed. This gives the Department and the applicant a chance to get to know each other. Appointments may be scheduled through Mr. Sheridan.